



Amazon Seen Rising Back Above \$2000 on Strong Growth Opportunities

Ticker/Price: AMZN (\$1730)

Analysis:

Amazon (AMZN) with 100 July \$1725 calls opening \$113 for fifty of them and \$121 for the other 50 contracts, a position of over \$1M. On Friday traders bought June \$1730/\$1760 call spreads, and 1,000 April \$1750 calls, while the prior days saw 1,000 April \$1640 synthetic long positions open, and we have seen some Jan. 2021 call buys as well since the start of March. On the chart AMZN is starting the week moving out of a range after clearing a downward channel early in 2019, now out of this \$1370/\$1720 bottoming weekly pattern that targets a move to \$2070. We are also seeing weekly RSI break out over the 50 level to multi-week highs and the next objective is clearing the upper weekly cloud boundary at \$1800. The \$830B leader in the cloud, ecommerce and other emerging Tech areas trades 42.85X Earnings, 3.55X Sales and 48X FCF. AMZN is seen with around 18% topline growth each of the next two years while EPS seen jumping 36% and 45%. It will next report earnings in late April. Analysts have an average target of \$2080 and short interest is low at 1% of the float and down 24% Q/Q. KeyBanc recently upgraded to Overweight on a better profitability view for the retail business and the incremental opportunity in its emerging and robustly growing advertising business. NY Post reported the Amazon ad business is expected to increase 50% this year. AMZN is also seen investing more in original content for its media business and sees opportunities in sports. UBS was out with a \$2100 target last week despite the regulatory overhang with Amazon continuing to gain exposure to secular growth trends, and sees long-term prospects in financial services and healthcare. Hedge Fund ownership rose 7.8% in Q4 filings when many funds were de-risking.

Hawk Vision:



Trading Strategy: AMZN looks great and with the market looking to take a breather could be a spot money moves back to with shares above the 200 MA.

Confidence Ranking: \$\$